

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6884**

**BILL NUMBER:** HB 1290

**NOTE PREPARED:** Jan 25, 2015

**BILL AMENDED:**

**SUBJECT:** Nullification of EPA Regulations in Indiana.

**FIRST AUTHOR:** Rep. Judy

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill nullifies all regulations imposed in Indiana by the United States Environmental Protection Agency (EPA). It provides that the Indiana Department of Environmental Management shall provide environmental protection for the citizens of Indiana.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** The Indiana Department of Environmental Management (IDEM) would be solely responsible for providing environmental protection for the state due to the nullification of U.S. EPA regulations provided in this bill. The impact to IDEM would be the loss of federal funds from the U.S. EPA that are used to run programs and provide funding for the staff assigned to those programs. This would also result in a reduction of the amount of state matching funds (about \$19 M annually) that the state would have to provide to receive the federal funds. If IDEM continues the programs, the costs would be funded only through state appropriations.

**Explanation of State Revenues:** This bill could result in the loss of about \$56 M annually in federal funding from the U.S. EPA. Of this amount, about \$3.4 M was disbursed to local units in FY 2014.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Local units receiving funding from U.S. EPA grants through IDEM could experience a decline in funding. For FY 2014, local units received about \$3.4 M in grant funding through U.S. EPA funds received by IDEM.

**State Agencies Affected:** Indiana Department of Environmental Management.

**Local Agencies Affected:** Local units receiving EPA funding through IDEM.

**Information Sources:** Beth McMinn, Indiana Department of Environmental Management.

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